



County of Los Angeles CHIEF EXECUTIVE OFFICE

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March 22, 2013

To: Supervisor Mark Ridley-Thomas, Chairman
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name and title.

SACRAMENTO UPDATE

Executive Summary

This memorandum contains a report on the following:

- Pursuit of County Position on Legislation
 - **SB 785 (Wolk).** This measure would repeal existing design-build authorizations for the State Departments of General Services and Corrections and Rehabilitation, and various local agencies and reenacts those provisions within the Public Contract Code. The bill would also eliminate the sunset date on existing design build authorizations and establishes a \$1.0 million threshold for projects to utilize design-build. Therefore, unless otherwise directed by the Board, consistent with existing policy to support or sponsor legislation that would delete the existing sunset date on design-build authority granted to counties and that would eliminate the current project cost threshold required for the use of the design-build method, **the Sacramento advocates will support SB 785.**

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- **SJR 7 (Lieu).** As introduced on March 13, 2013, would urge the President and the Congress to pass the Los Angeles Residential Helicopter Noise Relief Act of 2013 (H.R. 456 and S. 208 - identical bills), introduced by U.S. Representative Schiff and Senators Feinstein and Boxer on February 4, 2013. Therefore, consistent with the Board's support for H.R. 456 and S. 208, unless otherwise directed by the Board, **the Sacramento advocates will support SJR 7.**

SB 785 (Wolk), as introduced on February 22, 2013, would consolidate existing design-build authority into one framework. Specifically the bill would: 1) repeal existing design-build authorizations for the State Departments of General Services and Corrections and Rehabilitation, and various local agencies and reenact provisions that would authorize those entities to use the design-build procurement process for specified public works; 2) eliminate the existing sunset dates on these design-build authorizations; 3) establish a \$1.0 million threshold for projects to utilize design-build; 4) maintain the retention proceeds amount, labor compliance, and apprenticeship program provisions of existing law; 5) require moneys that are collected under these provisions to be deposited into the State Public Works Enforcement Fund, subject to appropriation by the Legislature; 6) exempt specified information related to the procurement of design-build contracts from the California Public Records Act; and 7) require specified information to be verified under penalty of perjury.

Under existing law local officials are required to invite bids for construction projects and then award contracts to the lowest responsible bidder under the traditional design-bid-build project delivery system. It also authorizes counties, until July 1, 2014, to use alternative procedures, known as design-build, for bids on construction projects in excess of \$2.5 million. Cities are granted that authority for project costing at least \$1.0 million until January 1, 2016. Current law also authorizes the State Department of General Services and the Department of Corrections to utilize design-build for State office buildings and prison facilities.

SB 785 would extend indefinitely the authorization for counties, cities and the State Department of General Services, the State Department of Corrections and designated local agencies to use design-build for projects in excess of \$1.0 million. Local agencies would include cities, counties, a city and county, special districts which operate wastewater facilities, solid waste management facilities, or water recycling facilities, and transit districts.

The Department of Public Works (DPW) indicates that since the 2008 adoption of the County policy authorizing the use of design-build contracting authority as an option for applicable construction projects in excess of \$2.5 million, 34 design-build projects totaling over \$2.0 billion have been completed or are currently in progress in the County. DPW reports that it has found design-build to be an efficient selection and project delivery method which complements the traditional design-bid-build methodology. Extending the authority of counties to indefinitely use this contracting process would allow the County's continued beneficial use of design-build as an alternative delivery method for capital projects. Further, lowering the project cost threshold from \$2.5 million to \$1.0 million would allow the Department to use this contract method on smaller-scale projects, thereby increasing the potential for benefits for the delivery of projects.

SB 785 is consistent with **County-sponsored AB 195 (Hall)**, which would extend the sunset date on the existing design-build authority for counties from July 1, 2014 to July 1, 2020.

This office and the Department of Public Works support SB 785. Therefore, unless otherwise directed by the Board, consistent with approved policy to support or sponsor legislation that would delete the existing sunset date on design-build authority granted to counties and that would eliminate the current project cost threshold required for the use of the design-build method, **the Sacramento advocates will support SB 785.**

SB 785 is supported by the Associated General Contractors of California and the Design Build Institute of America. There is currently no registered opposition to the measure.

SB 785 has been referred to the Senate Governmental Organization Committee. A hearing date has not been set.

SJR 7 (Lieu), which, as introduced on March 13, 2013, would urge the President and the Congress to pass the Los Angeles Residential Helicopter Noise Relief Act of 2013 (H.R. 456 and S. 208 - identical bills). Federal legislation, H.R. 456 and S. 208, would require the Administrator of the Federal Aviation Administration (FAA) to issue, within one year of the bill's enactment, regulations for helicopter operations in Los Angeles County that include requirements relating to the flight paths and altitudes associated with such operations to reduce helicopter noise pollution in residential areas, increase safety, and minimize commercial aircraft delays. These Federal bills would also exempt helicopter operations related to emergency, law enforcement, or military activities from the requirements.

Each Supervisor
March 22, 2013
Page 4

According to the author of SJR 7, helicopter traffic in Los Angeles County is not currently regulated by the FAA or any other agency and while the FAA does require a specific minimum flying altitude for fixed wing aircrafts, it does not require a specific minimum flying altitude for helicopters. Los Angeles County is home to an excessively large concentration of areas that generate extensive helicopter tours engaged in sightseeing activities. The County also has a high concentration of media helicopters, which often hover for extended periods of time.

Therefore, consistent with the Board's action of November 8, 2011 to support the Los Angeles Helicopter Noise Relief Act of 2011 and the County's current support of the Los Angeles Helicopter Noise Relief Act of 2013 (H.R. 456 and S. 208), unless otherwise instructed by the Board, **the Sacramento advocates will support SJR 7 (Lieu).**

Currently, SJR 7 is supported by Citizens for Quiet Helicopters. There is no registered opposition on file for SJR 7.

SJR 7 is in the Senate Transportation and Housing Committee awaiting consideration.

We will continue to keep you advised.

WTF:RA
MR:AO:KL:ma

c: All Department Heads
Legislative Strategist
Local 721
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities
City Managers Associations
Buddy Program Participants